

25 OCT 1982

MEMORANDUM FOR: Executive Director

FROM: Daniel A. Childs, Jr.
Comptroller


SUBJECT: Long-Range Planning Phase III Summary

1. We have reviewed the Long-Range Planning Phase III Summary Report and believe it does a good job of summarizing the key points in a lengthy and complex process. An Executive Committee meeting is probably not required before completion of the Phase IV effort, although it may be useful to have the Agency's senior managers discuss the implications of the long-range goals and investment strategies identified in this paper--some of which could be significant.

2. We are concerned, for example, about the adequacy and usefulness of the long-range goals, particularly in terms of guidance for development of the Agency's 1985 program. We are of the view that much more specific guidance will be necessary to really influence the scope and direction of Agency programs in 1985 and beyond.

3. Of most concern, however, is the whole notion of a quantitative approach to development of an investment strategy. Although exploring commercial and other investment methodologies may be worthwhile, I am skeptical of their utility in this business. I am even more concerned about an investment strategy based on some arbitrary control on manpower growth. This is precisely the strategy we followed throughout most of the seventies, the consequence of which we all know too well. I am still persuaded that our investment strategy should be based on the marketplace we anticipate in the decade ahead; the products we will be called upon to provide to meet our share of that marketplace; and the capabilities we will need to provide those products. It is up to the policymaker to decide whether the information he wants is worth the cost.

4. All of these points would be worthwhile topics for discussion by the Executive Committee, but such a discussion might be more fruitful after Phase IV is completed. We can't delay too long, however, because the 1985 cycle will begin soon, and we must resolve these fundamental issues.


Daniel A. Childs, Jr.

cc: DDA
DDI
DDO
DDSGT
D/Personnel
Inspector General